

CHAPTER 9

SECTION 4.1

CONTINUED HEALTH CARE BENEFIT PROGRAM

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Authority: Section 4408 of P.L. 102-484, [32 CFR 199.20](#)

I. ISSUE

Establishing eligibility for enrollment in the Continued Health Care Benefit Program (CHCBP) for members of the Uniformed Services who are discharged or released from active duty (or full time National Guard duty), whether voluntarily or involuntarily as long as not under adverse conditions, and their family members; emancipated children of a member or former member; and certain unremarried former spouses of a member or former member.

II. BACKGROUND

Implementation of the CHCBP was directed by Congress in section 4408 of the National Defense Authorization Act for Fiscal Year 1993, Public Law 102-484, which amended Title 10, United States Code, by adding Section 1078a. This law directed the implementation of a program of temporary continued health benefits coverage comparable to the health benefits provided for former civilian employees of the Federal government. The CHCBP is a premium based transitional health care coverage program that will be available to qualified beneficiaries. Medical benefits under this program are intended to model the TRICARE Standard Plan, and to provide basic program benefits which TRICARE/CHAMPUS would provide. The CHCBP is not a part of the TRICARE/CHAMPUS program; however, it functions under most of the rules and procedures of the TRICARE/CHAMPUS program.

III. POLICY

A. Eligibility. Enrollment in the CHCBP is open to the following individuals regardless of their place of residence (e.g., overseas or in the United States):

1. Members of the Uniformed Services who:

a. Are discharged or released from active duty (or full time National Guard duty), whether voluntarily or involuntarily, under other than adverse conditions;

b. Immediately preceding that discharge or release, were entitled to medical and dental care under a military health care plan--including transitional health care under the Transitional Assistance Management Program (TAMP) (except in the case of a member discharged or released from full time National Guard duty);

c. After that discharge or release and any period of transitional health care provided under TAMP would not otherwise be eligible for any benefit under TRICARE/CHAMPUS; and

2. A person who:

a. Ceases to meet requirements for being considered an unmarried dependent child of a member or former member of the Uniformed Services;

b. On the day before ceasing to meet those requirements, was covered under TRICARE/CHAMPUS or TAMP as a family member of the member or former member; and

c. Would not otherwise be eligible for any benefits under TRICARE/CHAMPUS.

3. A person who:

a. Is an unremarried former spouse of a member or former member of the Uniformed Services (for purposes of this program, there is no time requirement regarding the length of time the former spouse was married to the member or former member);

b. On the day before the date of the final decree of divorce, dissolution, or annulment was covered under a health benefits plan under TRICARE/CHAMPUS or TAMP as a family member of the member or former member; and,

c. Is not eligible for TRICARE/CHAMPUS as a former spouse of a member or former member.

4. An unmarried person who:

a. Is placed in the legal custody of a member or former member as a result of a court order or by an adoption agency recognized by the Secretary of Defense; and

b. Meets [paragraph III.A.4.b.\(1\)](#), [\(2\)](#), or [\(3\)](#) below:

(1) Has not attained the age of 21;

(2) Has not attained the age of 23 and is enrolled in a full time course of study at an institution of higher learning; or

(3) Is incapable of self-support because of a mental or physical incapacity. This incapacity must have occurred while the person was considered a family member of the member or former member under [paragraph III.A.4.b.\(1\)](#) or [\(2\)](#) above; and

c. Is dependent on the member or former member for over one-half of the person's support; and

d. Resides with the member or former member unless separated by the necessity of military service or to receive institutional care as a result of disability or incapacitation; and

e. Is not a family member of a member or a former member under any other subparagraph.

B. Notification of Eligibility.

1. The Department of Defense and the other Uniformed Services (e.g., NOAA, PHS, and the Coast Guard) will publish information regarding eligibility for health benefits under the CHCBP via brochures, newsletters, military-related publications, etc.

2. In the case of a member who becomes (or will become) eligible for continued coverage, the Department of Defense and the other Uniformed Services shall notify the member of their rights for coverage as part of pre-separation counseling.

3. In the case of a child of a member or former member who becomes eligible for continued coverage:

a. The member or former member may submit to the Third Party Administrator (TPA) which has been selected to administer the CHCBP a notice of the child's change in status (including the child's name, address, and such other information needed); and

b. The TPA, within 14 days after receiving such information, will inform the child of the child's rights under the CHCBP.

4. In the case of a former spouse of a member or former member who becomes eligible for continued coverage, the TPA will notify the former spouse of eligibility for CHCBP when he or she declares the change in marital status to a military personnel office.

5. In the case of a family member who is placed in the legal custody of a member or former member:

a. The member or former member may submit to the TPA which has been selected to administer the CHCBP a notice of the family member's status (including the family member's name, address, date placed in legal custody, and such other information needed); and

b. The TPA, within 14 days after receiving such information, will inform the member or former member of the family member's rights under the CHCBP.

C. Election of Coverage.

1. In order to obtain continued coverage, written election by an eligible beneficiary must be submitted to the TPA before the end of the 60-day period beginning on the later of:

a. Date of discharge or release from active duty or full time National Guard duty;

b. The date on which the period of transitional health care applicable to the member under TAMP ends;

c. The day after the one-year period of TRICARE/CHAMPUS coverage for former spouses ends;

d. The day after the date the beneficiary loses eligibility for care under the Military Health Services System.

e. The date the member receives the notification of eligibility. This date will correspond to the date of brochures, newsletters, etc., of which the beneficiaries are expected to be aware.

f. The date the family member is placed in the legal custody of a member or former member.

2. A member of the Uniformed Services who is eligible for enrollment may elect self-only or family coverage. Family members who may be included in such family coverage are the spouse and children of the member.

D. Enrollment.

1. General. In order to enroll in the CHCBP, an eligible individual must submit an application to the TPA. The name and address of the TPA will be extensively publicized and is available through TRICARE/CHAMPUS Health Benefits Advisors, DoD transition offices, military medical treatment facilities (MTFs), other DoD entities and Uniformed Services which provide information regarding TRICARE/CHAMPUS.

2. Application. There is no form required to be used for applying for benefits under the CHCBP, although the TPA has such a form to facilitate applications. A letter from the applicant to the TPA is acceptable. The application must include one of the following items to verify the applicant's eligibility for the CHCBP.

a. A Defense Enrollment Eligibility Reporting System (DEERS) printout which indicates the appropriate sponsor status (TA in block 4 on the DEERS screen) and the sponsor's and family member's eligibility dates. The eligibility dates for the CHCBP correspond to the ending TRICARE/CHAMPUS eligibility dates (shown in block 30 for the sponsor and blocks 58 and 86 for family members).

b. A copy of a verified and approved DD Form 1172, "Application for Uniformed Services Identification and Privilege Card".

c. A front and back copy of a DD Form 1173, "Uniformed Services Identification and Privilege Card". overstamped "TA" for Transitional Assistance Management Program, with block 15b indicating the effective date for eligibility for civilian care. In lieu of a copy of the DD Form 1173, the applicant can submit a copy of the separatee's Standard Form DD 214, "Certificate of Release or Discharge from Active Duty", which indicates eligibility for transition benefits as an involuntary separatee and the notification letter (if received) from the Uniformed Service informing the separatee of their eligibility for involuntary separation benefits. If a Standard Form DD 214 is submitted, the date on which the applicant's eligibility for military medical benefits ends must be evident.

The application must also include payment for the premium for the first quarter (three months) coverage under the CHCBP. Payment must be by check or money order made out to "The Treasury of the United States". The exact amount of the premium will be available from the TPA or wherever the applicant obtains information regarding the CHCBP and/or the TPA.

3. Enrollment Determinations.

a. **Verification of Enrollment.** Once eligibility for the CHCBP has been verified by the TPA, the TPA will make the appropriate entries in DEERS and will notify the applicant of the enrollment approval (or denial) by providing each eligible enrollee with a CHCBP identification card.

b. **Family members not identified on DEERS.** When a contractor receives a CHCBP claim which includes a family member not identified on DEERS as enrolled, but the sponsor indicates CHCBP coverage, the contractor is to take the following action: If the claim includes a copy of an appropriately marked CHCBP ID card for the beneficiary, the claim is to be processed. If the claim is for a beneficiary who is less than 60 days old, the claim is to be processed, even if no copy of an CHCBP ID card is attached. In all other cases, the claim is to be denied.

c. **Disputes Regarding Enrollment.** Determination of a person's eligibility as a CHCBP beneficiary is the responsibility of the TPA. Disputed questions of fact concerning a beneficiary's eligibility will not be considered an appealable issue, but must be resolved with the appropriate Uniformed Service.

4. **Disenrollment in Other Programs.** In order to be eligible to enroll in the CHCBP, the beneficiary will be disenrolled from any other managed care programs established or operated under the auspices of the DoD. This will require no action on the beneficiary's part. Once the TPA receives an application to, and determines eligibility for, the CHCBP, it will notify the managed care program to disenroll the beneficiary.

E. Period of Coverage.

1. **Limits on Coverage Periods.** Coverage under the CHCBP varies depending on the category of beneficiary as described below.

a. **Members discharged or released from active duty or full-time National Guard duty.**

(1) For any member discharged or released from active duty or full-time National Guard duty, whether voluntarily or involuntarily, coverage under the CHCBP is limited to eighteen (18) months from the date the member was first eligible for the CHCBP. That first date of eligibility is either the date the member first ceases to be entitled to care under a military health care plan as an active duty member or the date the member first ceases to be eligible for care under the TAMP, whichever is later.

(2) If a separated active duty member who was enrolled in CHCBP returns to active duty, enrollment in CHCBP will end. At that time, the TPA will refund any portion of the member's previously paid premium for any days after CHCBP enrollment ends. If the

member subsequently separates from active duty again and reenrolls in CHCBP, the member's period of coverage in CHCBP shall be a full eighteen months beginning the date of the most recent separation.

NOTE: If the member elects family coverage, eligibility periods for the family are identical to those for the member.

b. Unmarried dependent child. For an unmarried dependent child of a member or former member, coverage under the CHCBP is limited to thirty-six (36) months from the date on which the person first ceases to meet the requirements for being considered an unmarried dependent child. However, if the person ceases to meet the requirements for being considered an unmarried dependent child during a period of continued coverage of the member for self and family members, the person's coverage under the CHCBP ends thirty-six (36) months after the date the member became ineligible for medical and dental care under a military health care plan as an active duty member or the date the member first ceases to be eligible for care under TAMP, whichever is later.

c. Unremarried former spouse.

(1) For an unremarried former spouse of a member or former member, coverage under the CHCBP is limited to thirty-six (36) months after the later of:

(a) The date on which the final decree of divorce, dissolution, or annulment occurs; or

(b) The date which is one year after the date of the divorce, dissolution, or annulment, if the former spouse is eligible for one-year transitional coverage under TRICARE/CHAMPUS.

(c) The date the member became ineligible for medical and dental care under a military health care plan as an active duty member or the date the member first ceases to be eligible for care under TAMP, whichever is later, if the former spouse first meets the requirements for being considered an unremarried former spouse during a period of continued coverage of that member for self and family members.

(2) The limitations described in (1) above do not apply and the length of coverage can be for an unlimited period of time, if the former spouse:

(a) Has not remarried before the age of 55; and

(b) Was enrolled in the CHCBP as the family member of an involuntarily separated member during the 18-month period before the date of the divorce, dissolution, or annulment; and

(c) Is receiving any portion of the retired or retainer pay of the member or former member or an annuity based on the retired or retainer pay of the member; or

(d) Has a court order for payment of any portion of the retired or retainer pay; or

(e) Has a written agreement (whether voluntary or pursuant to a court order) which provides for an election by the member or former member to provide an annuity to the former spouse.

(3) If an unremarried former spouse who is enrolled in the CHCBP subsequently remarries, enrollment in CHCBP will end as of the date of the marriage. The TPA will refund any portion of the former spouse's previously paid premium for any days after CHCBP enrollment ends. Regardless of the period of coverage used by the former spouse, remarriage results in loss of all further eligibility for CHCBP coverage unless future eligibility can be subsequently established based on the criteria in [paragraph III.A.](#) above.

d. Family member placed in the legal custody of a member or former member. For a family member who is placed in the legal custody of a member or former member, coverage under the CHCBP is limited to thirty-six (36) months from the date on which the person was formally placed in legal custody. If the family member ceases to meet the eligibility criteria in [paragraph III.A.4.](#) above prior to the expiration of the 36 months (e.g., is removed from legal custody of the member or former member), eligibility will end as of the date the family member no longer meets the criteria.

2. Beginning of Enrollment. Although beneficiaries have sixty (60) days to enroll in the CHCBP (as described in [paragraph III.D.](#) above), the period of coverage must begin on the day after entitlement to a military health care plan (including transitional health care under TAMP) ends but no earlier than October 1, 1994.

F. CHCBP Administration

1. General. Except as provided below, all basic TRICARE/CHAMPUS benefits and procedures apply to the CHCBP. In addition, any DoD-sponsored preferred provider organization program which provides for reduced cost sharing, etc., such as the TRICARE Extra option is also available to CHCBP beneficiaries.

2. Exceptions.

a. Eligibility. The CHCBP has unique eligibility requirements as contained in [paragraph III.A.](#) above.

b. Nonavailability Statements and Use of MTFs.

(1) Since CHCBP beneficiaries pay premiums for coverage and since they must have lost their eligibility for all other DoD health care benefits in order to be eligible for the CHCBP, there is no requirement that they use any medical facility of the Uniformed Services or that they obtain a nonavailability statement.

(2) CHCBP beneficiaries cannot normally receive treatment in an MTF except due to an emergency situation. When this occurs, payment may be made to the MTF since it meets all of the requirements of an authorized provider.

c. Beneficiary Liability.

(1) For purposes of CHCBP deductible and cost sharing requirements, and catastrophic CAP limits, amounts applicable to the category of beneficiary (active duty or retired) to which the CHCBP enrollee's sponsor last belonged shall continue to apply. Because separating active duty members were not eligible for TRICARE/CHAMPUS, amounts applicable to family members of active duty members shall apply to this category of enrollee.

(2) Active duty cost-shares shall apply to emancipated children and family members placed in legal custody whose sponsor is an active duty member at the time of enrollment. If the sponsor retires during the period of enrollment of the emancipated child or family member placed in legal custody, retirees' cost-shares shall apply to the enrollee as of the date of retirement of the sponsor.

(3) Former spouses are responsible for retiree cost-shares just as they are under TRICARE/CHAMPUS.

(4) Deductible and cost-sharing amounts for the CHCBP must be met independent of TRICARE/CHAMPUS deductible and cost-sharing amounts. Any deductible and cost-sharing amounts previously paid under TRICARE/CHAMPUS cannot be carried over to the CHCBP.

d. Special Programs.

(1) Available to CHCBP-TRICARE Extra.

(2) Not Available to CHCBP. The following special TRICARE/CHAMPUS programs are not available to CHCBP beneficiaries.

(a) Program for Persons with Disabilities (formerly known as Program for the Handicapped).

(b) TRICARE Family Members Dental Plan.

(c) Supplemental Health Care Program.

(d) TRICARE Enrollment Program (except for TRICARE Extra as noted above).

(e) PRIMUS and NAVCARE Programs.

(f) National Mail Order Pharmacy Program.

G. Premiums

1. Rates.

a. General. Premium rates are established by the Assistant Secretary of Defense (Health Affairs) for two rate groups--individual and family. The rates are based on Federal Employee Health Benefit Program employee and agency contributions which would be required for a comparable health benefits plan, plus an administrative fee. The

administrative fee, which is not to exceed ten percent of the basic premium amount, is determined based on actual expected administrative costs for administration of the CHCBP. The premium rates may be updated annually and will be published when updated. The rates are also available from the TPA.

b. **Rate Groups.** Members discharged or released from active duty or full-time National Guard duty must select their rate group at the time they enroll--either individual or family. (All other CHCBP enrollees must select the individual option.)

c. **Changing Rate Groups.** Only those individuals identified in [paragraph III.A.1.](#) of this section are eligible to change rate groups.

(1) **Family to Individual.** After enrollment, beneficiaries may change from family to individual at any time by notifying the TPA in writing.

(2) **Individual to Family.** Changes from individual to family may not be made except when one of the following qualifying events has occurred.

(a) The birth of a child;

(b) Marriage of the beneficiary;

(c) Legal adoption of a child; or

(d) Placement by a court of a child as a legal ward in the beneficiary's home.

(3) If one of the above qualifying events has occurred, the beneficiary can change his/her enrollment from individual to family, effective as of the date of the qualifying event, if:

(a) The qualifying event occurred after the beneficiary's enrollment in the CHCBP;

(b) The beneficiary sends a written request to the TPA no later than sixty (60) days from the date of the qualifying event (date of birth, date of marriage, etc.);

(c) The written request includes documentation of the qualifying event (a copy of the birth certificate, etc.) and the necessary additional premium. Premiums are to be prorated based on the days of each type of coverage.

2. Payments.

a. **Frequency.** Premiums are to be paid quarterly by check or money order to the TPA. Payment must be made no later than thirty (30) days after the start of the quarter.

b. **Failure to Make Payments.** Failure by enrollees to make a premium payment as required in [paragraph III.G.2.a.](#) above will result in denial of continued enrollment in the CHCBP and denial of payment of medical claims for services provided on or after the first

day of the quarter for which the premium payment was not paid. Beneficiaries denied continued enrollment due to lack of premium payments will not be allowed to reenroll.

H. Transitional Provisions.

1. Enrollment on or after August 2, 1994.

a. There will be a sixty-day period of enrollment for all eligible beneficiaries as described in [paragraph III.A.](#) above whose entitlement to regular military health services system coverage ended on or after August 2, 1994, but prior to the CHCBP implementation on October 1, 1994.

b. Coverage will begin as described in [paragraph III.E.2.](#) above.

2. Uniformed Services Voluntary Insurance Policy (US VIP). The US VIP will end as of the effective date of the CHCBP which replaces it.

a. Enrollment in the US VIP may continue until October 1, 1994, the effective date of the CHCBP. Policies written prior to that date will remain in effect until the end of the policy life.

b. On or after October 1, 1994, beneficiaries who previously enrolled in the US VIP may elect to cancel their US VIP policy and enroll in the CHCBP. Cancellation of the US VIP policy will be done by the CHCBP TPA upon receipt and acceptance of a request for enrollment in the CHCBP.

(1) For beneficiaries who enrolled in the US VIP prior to August 2, 1994, the period of CHCBP coverage can not extend beyond the termination date of their US VIP coverage. (In other words, the period of coverage in [paragraph III.E.](#) does not apply for these beneficiaries and the CHCBP period of coverage can be no longer than the US VIP maximum period of coverage.) For example, if a former active duty family (entitled to a maximum period of coverage of 18 months under US VIP) enrolled in the US VIP on August 1, 1993, they could convert to CHCBP with coverage terminating no later than January 31, 1995.

NOTE: The maximum period of coverage for former spouses under US VIP was 24 months.

(2) For beneficiaries who enrolled in the US VIP on or after August 2, 1994, the period of CHCBP coverage stated in [paragraph III.E.](#) above applies.

(3) With the exception of persons enrolled in the US VIP policy who may convert to the CHCBP, individuals who lost their entitlement to regular military health services system coverage prior to August 2, 1994, are not eligible for the CHCBP.

IV. EFFECTIVE DATE October 1, 1994.

- END -